

## EDITORIAL

### A Plan of Our Own

PROXIMITY of the 1961 Annual Session of the California Medical Association brings to mind again that this occasion also marks a birthday for California Physicians' Service.

Twenty-two years ago, at the C.M.A. Annual Session of 1939, C.P.S. was activated. Formation of this plan, forerunner of a system of Blue Shield plans which now blankets the country, had been brought about by a vote of 101 to 4 in the House of Delegates of the California Medical Association in a special session in late 1938.

Preceding this action were studies which had started among physicians as early as 1917. A few physicians in the days of World War I were sensing a public demand for some method of prepaying the costs of medical services, some plan by which the unpredictable costs of medical care could be met through the predictable costs of a pooled fund.

These early studies culminated in the report in 1933 of the Committee on the Costs of Medical Care of which Dr. Ray Lyman Wilbur was chairman. Not much could be done about the problem at that time because the nation was in the midst of the depression, the A.M.A. was not in sympathy with the views of the majority of the Committee, and the idea of prepayment was a novel one.

In 1935, depression-bound physicians went so far as to propose to the State Legislature that a plan of state medicine be adopted in California. From our present position of hindsight, it is fortunate that industry, management, labor, agriculture and every other interest represented before the Legislature turned thumbs down on this proposal.

There followed the proposal of then Governor Culbert Olson in 1938 for a state system of medicine, a plan which was promptly vetoed by physicians and which failed in the Legislature.

Parenthetically, it should be noted that the physicians who had advanced the 1935 medically-sponsored plan of state medicine were conspicuously absent from the 1936 House of Delegates. Their bid for glory failed on the legislative and home front alike.

Listing of these apparently unrelated but successive events gives ample evidence that the public desire to contribute to a fund for the payment of unpredictable medical care costs had not abated. The people of California, and of many other areas, wanted some means of providing for their costs of sickness. The California Medical Association recognized this desire and wisely figured that such a demand would and could be better met through medical rather than political leadership.

Studies by committees of the C.M.A. culminated in 1938 with the report of The Committee of Five, a hard working, hard hitting group of medical leaders possessed of foresight, skill and courage. They needed all three attributes in those days.

Their findings were translated into action in the 1939 special session of the House of Delegates, where, as noted, only four dissenting votes were cast on the proposal to create California Physicians' Service. At last, the doctors were in the business of providing their patients with a predictable method of meeting unpredictable costs.

This was the first statewide, medically-sponsored medical cost prepayment plan in the country. This was the start of a system which has now become a part of our lives and the lives of millions of patients throughout the country. California physicians may well be proud of their creation; others have paid tribute through emulation.

This recital would not be meaningful in a static organization. In California, however, nothing has been static for a good many years, including the C.M.A. The physician population in the state today includes a majority who came to California follow-

ing World War II, physicians of unquestioned professional skill but not aware of the economic struggles medicine has undergone here for the past two decades.

History has now caught up with California's pioneering in the field of medical care cost prepayment. Blue Shield plans cover the country. Commercial insurance carriers have entered this field in growing numbers and with billions of dollars of coverage provided. Closed-panel and other prepayment plans have been developed on the early philosophies and economic judgments of the Committee of Five.

At this point it is well to remember that not only have these philosophies prevailed and been proved true; the basic concepts of the organization of C.P.S. have also remained intact.

Today, in the welter of health insurance plans, C.P.S. stands out in California as the only plan which the physicians themselves control.

Each physician member of the California Medical Association has an effective voice in developing C.P.S. policies. Each county society member has a vote in selecting the Delegates from his society to the House of Delegates. Each Delegate, once the House is in session, has a vote on policy matters which control and direct C.P.S.

Where else can a physician make his voice heard in such sensitive areas? Surely not in a commercial insurance company. Surely not in a closed panel plan. These organizations operate under methods of their own choosing and the physician who provides the care for which the organizations pay the cost becomes nothing more than a service station where payment is made on the basis of the company's own meter.

In California Physicians' Service, policies must be made, of course, by a top administrative board which uses modern business methods to forecast success or failure of various changes or to evaluate experimental proposals. This board is, and must be, responsive to the expressed wishes of the House of

Delegates. The real policy-making originates in the House.

How well this chain of command operates is demonstrated by the numerous changes made by C.P.S. in its twenty-two years of business existence. Its early experiments in complete coverage at a ridiculously low cost were abandoned when their results were shown to be substandard. Other programs were tried and dropped when the physicians in the House of Delegates made their wishes known. Experiments in a variety of plans have been tried, some with good results, some not good.

What this all adds up to is that C.P.S. constitutes a plan which physicians may and do govern. The Council of the California Medical Association appoints three of its own members each year to the C.P.S. Board of Trustees, and in addition all other nominees for places on the C.P.S. Board are submitted by the Council to the House of Delegates for confirmation. This is a plan which has flexibility, which can make pilot studies, which may change with changing professional and economic conditions. Nowhere else is this potential opened up to physicians.

In the 1961 House of Delegates there will doubtless be a number of resolutions asking that C.P.S. do this or not do this. All such resolutions will receive careful study and, if adopted, will be handed to the Board of Trustees of C.P.S. for implementation. Policy-making thus flows directly, and immediately, from the decisions reached by the physicians of the state.

The statement may be trite but the fact remains the fact: California Physicians' Service is our own plan. It is ours to direct, for the direct benefit of our patients and for the indirect benefit of the public as a gauge and governor for all other prepayment plans. It is what we make it.

For the benefit of all concerned, let us hope that the House of Delegates will again recognize its authority and its responsibility and produce answers for C.P.S. which will benefit the public and therefore the medical profession.